

DENMARK TOURISM REPORT 2008

DRAFT ANNUAL TOURISM REPORTING TEMPLATE

1. INTRODUCTION

Council Decision 86/664/EEC of 22 December 1986¹ establishing a consultation and cooperation procedure in the field of tourism foresees that “each Member State shall send the Commission, once a year, a report on the most significant measures it has taken and, as far as possible, on measures it is considering taking in the provision of services for tourists which could have consequences for travellers from the other Member States”.

With the publication of the “Agenda for a sustainable and competitive European tourism”, the Commission announced that “in order to strengthen the collaboration with and among Member States, their current annual reporting through the Tourism Advisory Committee (TAC) will be used to facilitate the exchange and the dissemination of information about how their policies and actions safeguard the sustainability of tourism”.

This Communication was welcomed by the Competitiveness Council conclusions (22nd-23rd November 2007) and by the Presidency Conclusions of the Brussels European Council of 14th December 2007.

The main aims for the reporting process are:

- to be able to monitor the level of implementation of the “Agenda for a sustainable and competitive European tourism” by Member States;
- to facilitate the exchange of experiences among member States with regard to how they tackle issues which are important for the competitiveness and sustainability of European tourism.

MS reports referring to year n shall be sent to the European Commission by the end of February of year $n+1$.

If the reports are sent in English, the deadline is shifted to the end of April.

2. ORGANISATIONAL STRUCTURE

This section should provide an overview of the main organisational structure to illustrate how tourism is organised and managed, to identify linkages and to identify the engagement of other organisations/stakeholders.

The information required will only need to be prepared fully in year 1 as it will subsequently only be necessary to provide details of any changes.

¹ Official Journal L 384, 31/12/1986 P. 0052 – 0053.

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2.1 Please identify the National Bodies responsible for tourism (Ministry and also any separate/related National Tourism Organisation), including key areas of responsibility, and their relationship to other national bodies. (maximum of 1.000 characters)

The ministry responsible for tourism is **the Ministry of Business and Economic Affairs**. The ministry has delegated a range of policy and operational tasks to the national tourism organisation of **VisitDenmark**.

Consequently, the ministry sets the general policy goals and directions, while VisitDenmark is responsible for strategic tourism development and for promoting the country as a travel destination in foreign markets, as well as tourism analysis and knowledge building.

VisitDenmark

VisitDenmark operates eight overseas offices (in Germany, Sweden, Norway, the Netherlands, Italy, Great Britain, Japan and the United States). Additionally, VisitDenmark is active on an ad-hoc basis in selected markets in South East Asia (China, India, Korea), Spain, France, Russia, Poland, Ireland, Belgium, Luxembourg, Austria, Switzerland, Australia and Iceland. In South East Asia, VisitDenmark forms part of a Scandinavian Tourist Board, together with the Swedish and Norwegian national tourism organisations. In the USA, VisitDenmark cooperates through Scandinavian Tourist Inc. together with Sweden, Norway, Finland and Iceland.

In addition to strategic tourism development and promotion, VisitDenmark has been delegated a range of international policy tasks relating to the OECD, EU and the Nordic Council of Ministers.

VisitDenmark co-operates with a number of ministries, for instance the Ministry of the Environment, including the Danish Forest and Nature Agency (Skov- og Naturstyrelsen) and the Agency for Spatial and Environmental Planning (By- og Landskabsstyrelsen).

2.2 Please, describe what organisations/agencies are used to deliver services at the national and regional level and the services that they deliver. (maximum 800 characters)

National level:

VisitDenmark (see also above)

The main area of responsibility of VisitDenmark is to ensure strategic product development and international marketing of Denmark - including analysis, documentation and knowledge building, project fundraising and financing, national co-ordination as well as co-ordination between the state institutions (ministries) and regional and local tourism organisations, co-ordination of the national brand architecture, involvement of the industry, provision of tourism development tools and guidelines.

Regional level:

Denmark consists of five regions and 98 municipalities. For each of the five regions plus the Baltic

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island of Bornholm, six regional growth forums and six regional development organisations have been established, the first responsible for regional growth and development, the second specifically responsible for regional tourism development and marketing.

Regional Growth Forums

The growth forums consist of regional and local politicians together with representatives of business organisations, educational institutions and social partners (the unions and employers' organisations). The main purpose of the growth forums is to ensure coherence between state, regional, local and EU funds, including to decide which activities and projects should receive public funding.

Regional Development Organisations

Additionally, new regional tourism development organisations have been established for each of the five regions plus the Baltic island of Bornholm.

The regional development organisations' main area of responsibility is to facilitate and guarantee *product development, innovation and marketing of tourism within the regions* - including fundraising, co-ordination and marketing of cross-regional development themes, co-ordination of human resources development, co-ordination between the regions, provision of tourism development tools and guidelines as well as facilitation of tourism destination development.

Local level

Destinations

Also, a number of strong destinations (DMO's) are being developed, each of the destinations consisting of one or more municipalities, tourism organisations and businesses. VisitDenmark has facilitated the process in co-operation with the regional development organisations through seminars, knowledge sharing and development tools.

The tourism development destinations are responsible for strategic development and organisational management at destination level, including co-ordination of PR and marketing, destination development projects, fundraising, co-operation between tourism organisations, involvement of the industry, etc.

2.3 Please, describe which other bodies and organisations are involved at the national level and the process for involving them. (maximum 800 characters)

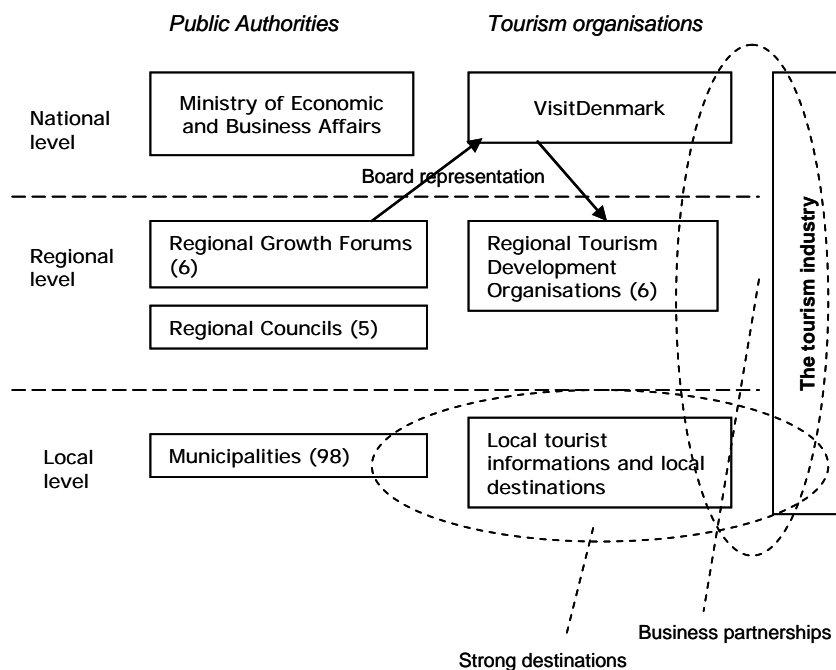
In addition to the Ministry of Business and Economic Affairs, public and private associations as well as NGO's are involved on an ad hoc basis and in relation to specific projects.

In April 2009, a cross-ministerial task-force has been established on ad hoc basis with the aim of analysing the framework conditions for tourism development (including regulation), and means for improvement.

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2.4 Please provide a diagram/organogram of the organisational structure for tourism identifying the relationship between national, regional and local bodies. Provide also a short description of the core responsibilities and competencies of each of the organisations. Include also information regarding the direct and indirect links between other departments, stakeholder organisations and unions. Information about mechanisms of decision making process participation from outsider organisations, e.g. forums, advisory committees is also requested. (maximum of 2.000 characters)

The organisation of Danish Tourism:



Core responsibilities

Tourism at national and regional level

For information on the Ministry of Economic and Business Affairs, VisitDenmark, the Regional growth forums and the Regional tourism development organisations, please see **box 2.1 and 2.2**.

Seven new business partnerships

As a part of the new national strategy for Danish tourism towards 2015 seven business partnerships will be established. The partnerships will have the task of developing and marketing high-quality products and experiences, resulting in higher earnings in the tourism industry. The products must be closely connected to the tourists' motives for visiting Denmark. The key actors in the partnerships are the tourism industry as well as other business partners, and the partnerships will be set up individually across companies, organisations and tourism branches.

Tourism at local level

At the local level, the vast majority of Denmark's 98 municipalities operate local tourist information

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centres, which are funded predominantly by each municipality. The tourist information centres are responsible for coordinating and delivering tourist services and information as well as product development and marketing at the local level.

Strong destinations

In continuation of the destination development project (see also 2.2 and 2.5) and as a part of the new national strategy for Danish tourism towards 2015, strong tourism destinations should be developed. Seven destinations, consisting of municipalities, regional and local tourism organisations as well as businesses, are already on the way.

2.5 Please provide information about 1) financial data, including spend/budget on tourism as a percentage of overall government spend/budget, 2) the level of national funding support for tourism marketing, 3) the amount of EU funding support made available for tourism and 4) data concerning the support to SMEs and Destinations. (500 characters)

Ad 1. Financial data

Unlike some other European countries, Denmark has no tradition of using specific tourism taxes to fund public tourism activities. Consequently, the main source of funding for public tourism promotion and development in Denmark are the national and regional budgets.

In 2008, the national tourism budget of the Ministry of Economic and Business Affairs was DKK 142.5 mill. (€ 19 mill.). The vast majority of the national tourism budget is allocated to VisitDenmark. The remainder is allocated (on an ad hoc basis) for specific activities and projects. For the year 2008, VisitDenmark received DKK 115 million in core funding from the Ministry of Economic and Business Affairs and DKK 33 million in activity-based funding, raising the total to DKK 148 million (€ 20 mill.) from the national budget. This corresponds to approx. 0,2 pct. of the overall government budget

Further funding is generated through activities with the private sector, which contributed with approx. DKK 105 million in 2008 (€ 14mill.). In 2008 the combination of state funding and co-funding from the private sector amounted to a total budget of DKK 253 million (€ 34 mill.) for VisitDenmark.

Secondly, tourism funding is provided through the regional growth forums, which in 2008 allocated a large proportion of the regional and EU funds to tourism investments (DKK 207 mill./ € 27.5 mill.). Finally, the municipalities are in charge of financing local tourist information centres.

Ad 2. Level of national funding support for tourism marketing

More than 85 pct. of VisitDenmark's budget is used for the international marketing of Denmark. In 2007-2010 DKK 60 mill. (€ 8 mill.) were allocated as a part of the Government's Action Plan for the Global Marketing of Denmark, for the marketing and promotion of Danish coastal and urban tourism abroad. In addition, a Marketing Denmark Fund has been established with the aim of raising

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awareness of Denmark's strengths and competences abroad.

Ad 3. The amount of EU funding support available for tourism

EU funding is canalised via the regional growth forums, and co-financing is provided by the regions and other project participants: Ministries, municipalities, businesses, educational and research institutions as well as other organisations and funds.

Tourism is a central part of the regional growth forums' investments. In 2008, the regional growth forums' investments in tourism amounted to DDK 364 mill.(€ 48,5 mill.), including DKK 207 mill. (€ 27.5 mill.) from the regions and the EU structural funds (57 pct. of total investments). Parts of the investments cover only one year, others are investments over a number of years.

Support to SMEs and destinations

SMEs

There are no projects specifically focused on SMEs. Rather the tourism sector in Denmark consists of mainly small and mediums sized enterprises, and therefore SME's are generally included in projects involving the industry.

Destinations

In 2006 VisitDenmark initiated the project "All-year tourism" with the aim of developing strong tourist destinations¹ and attracting more tourists off-season. The project aims at supporting innovation, co-operation and growth in Danish tourism and focuses on product development (accommodation facilities, attractions, general tourism offers and experiences, tourism service infrastructure etc.) and branding. Seven destinations through-out the country have been chosen as "all-year destinations" and a few might be added. VisitDenmark is responsible for the project management, including the planning of workshops and seminars, study tours etc. In January 2009 the seven destinations have finished their implementation plans for their development 2009-2015. The project will continue throughout 2009 with a focus on strategic organisational development, target group oriented product and experience development and strategic marketing.

For the years 2006-2009 DKK 18.5 mill. (approx. € 2.5 mill.) have been allocated for the project by the state, and in addition the project has received co-financing (minimum a 1/1-relationship) from the regions, municipalities, private funds and the industry.

3. POLICIES AND STRATEGIES

3.1 Is there a current National Strategy for tourism? Yes ☒ No ☐

If yes, please, provide information in bullet point format about the key aims, objectives and priorities of the strategy highlighting those that are designed to address sustainability issues in economic,

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environmental and social terms in particular those related in the six aims included in the Agenda. In preparing the tourism strategy, explain how consideration has been given to the 9 principles set out in the Agenda (para2.3 p5) and given in the appendix. (maximum 1.000 characters)

On 22 December 2008, the board of directors of VisitDenmark adopted a joint strategy for the development of Danish tourism towards 2015. The strategy has been developed on behalf of all stakeholders in Danish tourism, including regional and local authorities and development organisations as well as private organisations and businesses (more than 600 persons have been involved in the process).

Key aims of the strategy:

- To create increased growth and competitiveness
- To recapture market shares
- To generate increased turnover and value creation in the tourism industry
- To stimulate closer co-operation between tourism actors in relation to product development and marketing and stimulate a more professional approach to the development of Danish tourism
- To attract more Danish and foreign investments to the tourism industry, thereby improving the tourism offer.

Vision and mission

The vision states, *"Denmark aims at being recognised for focusing on quality of life and happiness in a creative and sustainable way."*

The mission states: *"Danish tourism creates visible results. We offer our guests unique experiences built upon a sustainable framework for quality of life and happiness."*

The joint strategy maps out a clear direction for the future development based on the values and strengths of Danish society, and thus a framework for quality of life.

New priorities

- Danish tourism should be changed from a focus on "something for everybody" to being "a lot for selected target groups". This means that Danish tourism will direct its promotion activities towards more specific and value-creating target groups than previously, according to their motives for travelling and what Denmark as a tourist destination can offer in this regard.
- Danish tourism should rather be a matter of national growth than a matter of regional and local development. Consequently, growth should be generated through focusing on value creation and strengthening and branding of attractions and experiences of international attractiveness, all year round.
- The strategy calls for a higher degree of collaboration between the tourism actors in creating

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high-value tourism products and experiences in order to generate a higher turnover and a higher value-added in the tourism sector.

- Finally, Danish tourism should move higher up on the political agenda and change from being almost invisible to being a visible and recognised industry. In this process, political framework conditions for Danish tourism should be adapted to the development of global competition.
- As part of the new framework, and according to the vision and mission of the strategy, an **action plan for sustainable development of Danish tourism** will be developed throughout 2009, focusing specifically on climate and environmental issues.

3.2 Who was the initiator and who is responsible for its implementation? (maximum 200 characters)

VisitDenmark – in co-operation with main stakeholders (e.g. the Ministry of Business and Economic Affairs, the regional development organisations, private organisations and business.)

3.3 How is the strategy monitored and how often? (maximum 500 characters)

The strategy is about to be implemented and will be monitored at minimum once a year.

3.4 What tourism specific legislation exists? (maximum 500 characters)

There is a broad spectrum of tourism related regulation, for instance taxation rules, environmental planning rules, visa rules etc, but no specific sector regulation.

4. MEASURES AND INITIATIVES

This section provides Member States with an opportunity to outline specific initiatives and policies that are or are going to be adopted to manage and develop tourism activity in ways which respond to the key challenges of the Agenda and which fall within the six main aims of the Agenda itself.

1 Economic prosperity

- a. To ensure the long term competitiveness, viability and prosperity of tourism enterprises and destinations.
- b. To provide quality employment opportunities, offering fair pay and conditions for all employees and avoiding all forms of discrimination.

2 Social equity and cohesion

- a. To enhance the quality of life of local communities through tourism, and engage them in its planning and management
- b. To provide a safe, satisfying and fulfilling experience for visitors, available to all without discrimination by gender, race, religion, disability or in other ways.

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3 Environmental and cultural protection

- a. To minimise pollution and degradation of the global and local environment and the use of scarce resources by tourism activities.
- b. To maintain and strengthen cultural richness and biodiversity and contribute to their appreciation and conservation.

4.1 Please set out, briefly, the steps which have been or will be taken, if any, to address the 7 key challenges for the delivery of sustainable and competitive tourism, covered in the TSG report and referred to in the 'Agenda'.

4.1.1 Reducing the seasonality of demand. (maximum 200 characters)

(See also 2.5) In 2006 VisitDenmark initiated the project "All-year tourism" with the aim of developing strong tourist destinations and attracting more tourists off-season. The project is supposed to support innovation, co-operation and growth in Danish tourism and focuses on product development (accommodation facilities, attractions, general tourism offers and experiences, tourism service infrastructure etc.) and branding. Seven destinations through-out the country have been chosen as "all-year destinations" and a few might be added. VisitDenmark is responsible for the project management, including the planning of workshops and seminars, study tours etc. In January 2009 the seven destinations have finished their implementation plans for their development 2009-2015. The project will continue throughout 2009 with a focus on strategic organisational development (DMOs), target group oriented product and experience development and strategic marketing.

4.1.2 Addressing the impact of tourism transport. (maximum 200 characters)

No tourism specific initiatives on national level, but a few projects on destination level with e.g. "green" busses. In addition, Denmark is generally a very cycling-friendly country.

On national level, the Government is generally investing high amounts in the development of biofuels and biotechnology, support of wind power as well as extension of the public infrastructure. In March 2009 a so-called "green tax reform" was passed. Further, larger airlines are participating in carbon-offsetting schemes.

4.1.3 Improving the quality of tourism jobs. (maximum 200 characters)

- A long tradition of close dialogue between employers and the trade unions.
- No tourism specific initiatives on national level with the aim of improving the quality of jobs in the sector, but a program for Good Hostmanship has been initiated by VisitDenmark aiming at improving services and professionalism in Danish tourism, which can lead to higher satisfaction among tourists and employees.

4.1.4 Maintaining and enhancing community prosperity and the quality of life, in the face of change. (maximum 200 characters)

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Here, again, can be mentioned the destination development project, where there is also given priority to types of accommodation, facilities and attractions that reflect the special character of the destination and deliver value to the community, as well as use and promotion of local products etc. (cf. TSG report, p. 12) The project also aims at developing a more professional tourism sector and destination management organisations, which are able to meet new demands and tackle structural and economic changes.

4.1.5 Minimising resource use and the production of waste. (maximum 200 characters)

Parts of the Danish tourism sector, mainly hotels, have been certified with The Green Key (an international environmental certification scheme) and are thereby committing themselves to minimising resource use, the production of waste, emissions etc. The number of enterprises which have been labelled with the Green Key has markedly increased during the last year, strongly motivated by the UN climate summit in Copenhagen in December 2009. Still, there is a way to go. Therefore, minimising resource use, emissions and the production of waste will also be core elements in the new action plan for sustainable tourism development, to be developed by VisitDenmark and relevant co-operation partners throughout 2009. Generally, Denmark has a long tradition of integrating business and environmental considerations.

4.1.6 Conserving and giving value to natural and cultural heritage. (maximum 200 characters)

The Ministry of the Environment and the Ministry of Culture work together with the municipalities to preserve and promote Danish natural and cultural heritage sites. VisitDenmark is also involved in this work on an ad hoc basis. Further, the Government is establishing five new national parks with the aim of preserving and promoting Danish natural and cultural heritage and values to the Danish citizens and tourists. Also on destination level, initiatives are taken to integrate natural and cultural preservation and promotion with tourism.

4.1.7 Making holidays available to all. (maximum 200 characters)

This is not a specific objective of the new national tourism strategy, but several attractions and facilities are members of the national certification scheme "Access for Everybody" (Tilgængelighed for Alle).

4.2 As key challenges may change over time, please identify any other areas that are becoming a new challenge. (maximum 600 characters)

- The global financial crisis (se also point 7.)
- Need for investments
- Climate and environmental issues

4.3 Please identify and describe a specific initiative, which is related to the 7 key challenges, that is innovative/ successful and which would be of interest to or of help to other Member States. (maximum 2.000 characters)

(See also 2.5)

The project “All-year tourism”, initiated by VisitDenmark in 2006, with the aim of developing strong tourist destinations and attracting more tourists off-season. The project aims at supporting innovation, co-operation and growth in Danish tourism and focuses on product development (accommodation facilities, attractions, general tourism offers and experiences, tourism service infrastructure etc.) and branding. Seven destinations through-out the country have been chosen as “all-year destinations” and a few might be added. VisitDenmark is responsible for the project management, including the planning of workshops and seminars, study tours etc. In January 2009 the seven destinations have finished their implementation plans for their development 2009-2015. The project will continue throughout 2009 with a focus on strategic organisational development, target group oriented product and experience development and strategic marketing.

5. MECHANISMS FOR IMPLEMENTATION

Three mechanisms for implementing the Agenda were identified in the “Agenda”: sustainable destinations, sustainable businesses and responsible tourists.

5.1 Sustainable destinations: What support is given to strengthen destination management at the regional/ destination level (supportive policy environment, knowledge networks, training programmes, establishment of measures/indicators for benchmarking, etc.)? (maximum 600 characters)

VisitDenmark is facilitating the development of destination management organisations (DMOs), has facilitated knowledge networks and has also published a guide for successful destination development. Finally, tools for measuring seasonality at local/municipality level are being developed.

5.2 Sustainable businesses: What support is given to strengthen the sustainability and competitiveness of businesses (supportive policy environment, orientation of business support services to sustainability, training, financial incentives, etc.)? (maximum 600 characters)

In April 2009, a cross-ministerial task-force has been established on ad hoc basis with the aim of analysing the framework conditions for tourism development in areas such as taxation rules, visa administration, tourism educations, research and innovation programmes, environmental planning etc., and means for improvement (see also 2.3).

5.3 Responsible tourists: What support is given to promote responsible choices by tourists (e.g. sustainability in education, national marketing and media campaigns, promotion of certification schemes)? (maximum 600 characters)

A working group consisting of VisitDenmark, Wonderful Copenhagen, the Danish Ministry of Foreign Affairs etc. was set up in the beginning of 2009 with the aim of increasing the number of tourism facilities in Copenhagen (hotels, congress centres etc.) which are labelled with the Green Key, an international environmental certification scheme (See also 4.1.5.). Hopefully, this will contribute to minimising resource use, the production of waste, emissions etc. and promote responsible choices by tourists. However the initiative is mainly directed towards tourism enterprises, more than tourists.

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Also, Denmark is generally branded as a “green” country, which in itself can attract responsible tourists.

6. DATA AND INDICATORS

Eurostat will provide, as an annex, the key statistical data required to support the reporting process covering around 20 indicators². These are mainly related to the aim of ‘economic prosperity’.

Please, identify indicators that are being used or developed which could add to the range of information being provided by Eurostat, particularly in relation to social and environmental issues (other indicators from the TSG report, visitors/ residents satisfaction, etc.). (maximum 500 characters)

No specific indicators have yet been developed in relation to social and environmental issues, but a future indicator in relation to environmental issues could for instance be “ the number/percentage of tourism enterprises which are members of an environmental certification scheme”.

7. COMPLEMENTARY ADDITIONAL INFORMATION

If necessary use the following box to provide additional complementary information that has not already been covered.

Consequences of the global financial crisis for Danish tourism and the Danish response

Denmark has traditionally had a very high percentage of foreign bednights, compared to domestic bednights and the number of inhabitants. However, the global financial crisis has already had a strong influence on Danish tourism, which in the first two months of 2009 has experienced a high decrease in the number of both domestic and foreign bednights compared to last year (-11 pct. and -19pct). Due to the crisis, the competitiveness of Danish tourism has weakened, since the Danish crone (DKK) is bound to the EURO, which is now relatively strong compared to exchange rates of important markets outside the EURO-area. For instance the exchange rates of Sweden, Norway, Great Britain, the USA and Japan. Especially Sweden and Norway are important markets for Danish tourism.

Since it can be highly challenging to attract a higher number of foreign tourists, especially from overseas countries, additional marketing activities will now be carried out on the Danish and German markets. Germany is the most important market for Danish tourism, measured in the number of overnights and total turnover, and it is member of the EURO.

Additionally, information activities targeted at core business representatives will be carried out, informing about the status of the crisis, forecasts, action possibilities, market potentials etc. VisitDenmark will also hold a continuous dialogue with sector representatives, which might serve as a “crisis task force”. The task force can also co-ordinate and co-operate with regional and local public tourism organisations.

² These indicators have been selected from the 50 TSG indicators on the basis of the possibility to calculate them at the European level.

APPENDIX

Principles of sustainable tourism:

- **Taking a holistic and integrated approach**

All the various impacts of tourism should be taken into account in its planning and development. Furthermore, tourism should be well balanced and integrated with a whole range of activities that affect society and the environment.

- **Planning for the long term**

Sustainable development is about taking care of the needs of future generations as well as our own. Long term planning requires the ability to sustain actions over time.

- **Achieving an appropriate pace and rhythm of development**

The level, pace and shape of development should reflect and respect the character, resources and needs of host communities and destinations.

- **Involving all stakeholders**

A sustainable approach requires widespread and committed participation in decision making and practical implementation by all those implicated in the outcome.

- **Using best available knowledge**

Policies and actions should be informed by the latest and best knowledge available. Information on tourism trends and impacts, and skills and experience, should be shared across Europe.

- **Minimising and managing risk – the precautionary principle**

Where there is uncertainty about outcomes, there should be full evaluation and preventative action should be taken to avoid damage to the environment or society.

- **Reflecting impacts in costs – user and polluter pays**

Prices should reflect the real costs to society of consumption and production activities. This has implications not simply for pollution but for charging for the use of facilities that have significant management costs attached to them.

- **Setting and respecting limits, where appropriate**

The carrying capacity of individual sites and wider areas should be recognised, with a readiness and ability to limit, where and when appropriate, the amount of tourism development and volume of tourist flows.

- **Undertaking continuous monitoring**

Sustainability is all about understanding impacts and being alert to them all the time, so that the necessary changes and improvements can be made.